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ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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| SECURITIES AND EXCHANGE COMMISSION,<br><br>Plaintiff,<br><br>v.<br><br>JOSEPH MELI,<br>MATTHEW HARRITON,<br>875 HOLDINGS, LLC,<br>127 HOLDINGS, LLC,<br>ADVANCE ENTERTAINMENT, LLC, and<br>ADVANCE ENTERTAINMENT II, LLC,<br><br>Defendants,<br><br>JESSICA INGBER MELI,<br>127 PARTNERS, LLC,<br>127 ICONIC HOLDINGS, LLC,<br>ANNA MELI,<br>NINETEEN TWO PRODUCTIONS, LLC,<br>MXCU HOLDINGS, LLC, and<br>MASH TRANSACTIONS, LLC,<br><br>Relief Defendants. | Civil Action No. 17-cv-632-LLS |

USDC SDNY
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LLS

~~[PROPOSED]~~
**PRELIMINARY INJUNCTION ORDER**

On January 30, 2017, Plaintiff, the United States Securities and Exchange Commission (the "Commission"), filed an Application for an Order to Show Cause, Temporary Restraining Order, Order Freezing Assets, and Granting Other Relief (the "Application") (Dkt. No. 15) as to defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment, LLC, and Advance Entertainment II, LLC (the "Defendants"). Specifically, the Commission moved this Court in the United States District Court for the Southern District of

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New York to issue an order: a) freezing the Defendants' assets, including bank accounts and accounts at other financial institutions; b) prohibiting Defendants from continuing to accept or deposit investor funds; c) requiring an accounting of Defendants' assets; d) authorizing expedited discovery and an alternative means of service; e) prohibiting the Defendants from destroying, altering, or concealing records of any kind—including documents concerning the allegations in the complaint or the assets, finances, or business operations of the Defendants; f) requiring that the Defendants repatriate and deposit into the registry of the Court in an interest bearing account, any and all funds or assets that presently may be located outside of the United States that were obtained directly or indirectly from investors; and, g) temporarily restraining the Defendants from violations of the federal securities laws.

Having entered a temporary restraining order freezing assets and granting other relief on January 30, 2017 (the "TRO") (Dkt. No. 19) against the Defendants; and, having ordered a hearing to be held on April 26, 2017, to allow the Defendants an opportunity to show cause as to why a Preliminary Injunction Order should not be entered;

Having also considered the Application, as well as the complaint and amended complaint, the Commission's memorandum of law and reply in support of its motion, the Declarations of John McCann and Martin F. Healey filed on January 30, 2017, and the Second Declaration of John B. McCann filed on April 24, 2017;

Having also considered that Defendants Harriton and 875 Holdings, LLC, have assented to the entry of this Preliminary Injunction Order;

The Court finds that the Commission has made a proper showing, as required by Section 20(b) and 20(d)(1) of the Securities Act of 1933 ("Securities Act") and Section 21(d) of the

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Securities Exchange Act of 1934 ("Exchange Act"), for the relief granted herein, for the following reasons:

1. It appears from the evidence presented that the Commission has made a substantial showing of likelihood of success in establishing that defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC (the "Defendants") have violated the federal securities laws.

2. It appears that an order freezing the Defendants' assets, including bank accounts and accounts at other financial institutions, is necessary to preserve the status quo and to protect this Court's ability to award relief in the form of disgorgement, prejudgment interest, and civil penalties.

3. It appears that an order prohibiting Defendants from continuing to accept or deposit investor funds is appropriate.

4. It appears that an order requiring an accounting of certain of Defendants' assets is appropriate.

5. It appears that an order prohibiting the Defendants from destroying, altering, or concealing records of any kind—including documents concerning the allegations in the complaint (as amended) or the assets, finances, or business operations of the Defendant—is necessary to ensure compliance with the asset freeze imposed and to protect the integrity of this litigation.

6. It appears that an order requiring that the Defendants repatriate and deposit into the registry of the Court in an interest bearing account, any and all funds or assets that presently may be located outside of the United States that were obtained directly or indirectly from investors, is appropriate.

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**NOW THEREFORE,**

**I.**

**IT IS HEREBY ORDERED** that:

A. Defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, and each of their officers, agents, servants, employees, attorneys, and other persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise (including by fax, email, or overnight delivery service) are preliminarily enjoined and restrained from taking any actions to withdraw, sell, pay, transfer, dissipate, assign, pledge, alienate, encumber, dispose of, or diminish the value of in any way (including, but not limited to, making charges on a credit card or drawing on another credit arrangement), any funds and other assets in their possession or held by any person or entity for their benefit, subject to their direct or indirect control, over which they exercise actual or apparent authority, or in which they have a beneficial interest, in whatever form such funds and other assets may presently exist and wherever located.

B. All banks, brokerage firms, and other financial institutions (including but not limited to Citibank, First Republic Bank, JP Morgan, Merrill Lynch, Signature Bank, TD Ameritrade and Wells Fargo) and other persons or entities that receive actual notice of this Order by personal service or otherwise (including by fax, email, or overnight delivery service) holding any funds or other assets in the name of any of the defendants, or in the name of any person or entity for their benefit, subject to their control, over which they exercise actual or apparent authority, or in which they have a direct or indirect beneficial interest, in whatever form such funds or other assets may presently exist and wherever located, shall continue to hold and retain such funds or other assets within their control and shall prohibit the withdrawal, removal, sale,

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payment, transfer, dissipation, assignment, pledge, alienation, encumbrance, diminution in value, or other disposal of any such funds or other assets (including, but not limited to, charges on a credit card or draws on another credit arrangement); and all such funds or other assets are hereby frozen, except as modified by Order of this Court on an account-specific basis.

C. The above Paragraphs I.A and I.B shall immediately cease to apply to any asset located within the United States (including any account at any bank, brokerage firm, or other financial institution) which becomes subject to any later order entered by any federal court as a result of proceedings that may be filed by the United States or any department or agency thereof under any federal civil or criminal forfeiture statute, to the extent that such later order requires the transfer of any such asset to the United States government.

D. No person or entity, including the defendants or any creditor or claimant against any of the defendants, or any person acting on behalf of such creditor or claimant, shall take any action to interfere with the asset freeze, including, but not limited to, the filing of any lawsuits, liens, or encumbrances, or bankruptcy cases to impact the property and assets subject to this order; provided, however, that any party or non-party may seek leave from this order upon a proper showing.

**II.**

**IT IS HEREBY FURTHER ORDERED** that defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, and each of their agents, servants, employees, attorneys, and other persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise (including by fax, email, or overnight delivery service) are preliminarily enjoined and restrained from violating Section 10(b) of the Exchange Act [15

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U.S.C. §78j(b)] and Rule 10b-5(a), (b) and (c) thereunder [17 C.F.R. §240.10b-5] by, directly or indirectly, through the use of the means or instrumentalities of interstate commerce or of the mails or of any facility of any national securities exchange, in connection with the purchase or sale of any security: (a) employing any device, scheme or artifice to defraud; (b) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or, (c) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

## III.

**IT IS HEREBY FURTHER ORDERED** that defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, and each of their agents, servants, employees, attorneys, and other persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise (including by fax, email, or overnight delivery service) are preliminarily enjoined and restrained from violating Section 17(a)(1), (2) and (3) of the Securities Act [15 U.S.C. §77q(a)] by, directly or indirectly, through the use of any means or instrumentalities of interstate commerce or the mails or of any facility of any national securities exchange, in the offer or sale of any security: (1) employing any device, scheme or artifice to defraud; (2) obtaining money or property by means of any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or, (3) engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

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IV.

**IT IS HEREBY FURTHER ORDERED** that defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, and each of their agents, servants, employees, attorneys, and other persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise (including by fax, email, or overnight delivery service) are preliminarily enjoined and restrained, and therefore prohibited, from accepting or depositing additional investor funds.

V.

**IT IS HEREBY FURTHER ORDERED** that each of Defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, shall submit in writing and serve upon the Commission, at a time agreed to by the parties, an accounting identifying:

1. all transfers or payments of any funds or other assets to him, or to any person or entity for his direct or indirect benefit, subject to his direct or indirect control, over which he exercises actual or apparent authority, or in which he has a direct or indirect beneficial interest, from any investors in connection with the activities described in the complaint (as amended)—the identification shall include the date and amount of each transfer or payment, the name and address of the investor, and, if applicable, the name, address, and account number of any bank, brokerage firm, or other financial institution of the person or entity making and the person or entity receiving the transfer or payment;

2. in detail, the precise disposition of each transfer or payment identified in response to paragraph 1 above and all assets derived therefrom, including but not limited to:

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a. the nature and results of any investment in which the funds were used;

b. any subsequent transfer or payment of the funds (the identification shall include the amount of each such transfer or payment, the date of the transfer or payment, the name, address, account number and financial institution of the party making and receiving the transfer or payment, and the reason for the transfer or payment); and

c. any fees or expenses charged and a detailed statement of the nature and purpose of such fees and expenses.

3. the location of the funds or other assets involved in any transfer or payment identified in response to paragraph 1 above that are currently in any of the Defendants' possession or held by any person or entity for any of the Defendants' direct or indirect benefit, subject to any of the Defendants' direct or indirect control, over which Defendants exercise actual or apparent authority, or in which any of the Defendants have a direct or indirect beneficial interest—the identification shall include the name and address of each person or entity holding such funds or other assets, and, if applicable, the name, address, and account number of any bank, brokerage firm, or other financial institution where the funds or other assets are currently held;

4. assets of every type and description with a value of at least five hundred dollars ($500) presently owned by or held for the direct or indirect benefit, or subject to the direct or indirect control, of any of the Defendants, whether in the United States or elsewhere; and

5. all accounts held at any bank, brokerage or other financial institution in the United States or elsewhere in the name, for the direct or indirect benefit, or under the direct or indirect control, of any of the Defendants, or in which any of the Defendants have or had any direct or indirect beneficial interest, at any time from January 1, 2015, to the present.

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**VI.**

**IT IS HEREBY FURTHER ORDERED** that defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, and all persons or entities acting at their direction or on their behalf are hereby preliminarily enjoined and restrained from destroying, altering, concealing, transferring custody of, or otherwise interfering with the Commission's access to, any and all documents, books, and records in the possession, custody, or control of and of the Defendants, their agents, officers, employees, servants, accountants, financial or brokerage institutions, or attorneys relating to the assets of the Defendants, or to the allegations of the complaint (as amended).

**VII.**

**IT IS HEREBY FURTHER ORDERED** that defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC and each of their officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, including facsimile transmissions, electronic mail or overnight delivery service, and each of them, shall, within five (5) days of receiving actual notice of this Order, take such steps as are necessary to repatriate and deposit into the registry of the Court in an interest bearing account, any and all funds or assets that presently may be located outside of the United States that were obtained directly or indirectly from investors.

**VIII.**

**IT IS HEREBY FURTHER ORDERED** that copies of this Order may be served by any means, including facsimile transmission and email, upon any entity or person that may have possession, custody, or control of any documents or assets of defendants Joseph Meli, Matthew

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Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, or that may be subject to any provision of this Order, and that representatives of the Commission are specially appointed by the Court to effect service.

IX.

**IT IS HEREBY FURTHER ORDERED** that this Order shall be, and is, binding on defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, and any of their agents or representatives and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise.

X.

**IT IS HEREBY FURTHER ORDERED** that the Court shall retain jurisdiction of this matter for all purposes.

Dated: April 26, 2017

Louis L. Stanton
HON. LOUIS L. STANTON
UNITED STATES DISTRICT JUDGE